

# *California's Child Support Services Program*

## ***REPORT CARD***

### *The First Two Years – New Directions and Successes*

- \* ENHANCING COLLECTIONS
- \* EXCELLENCE IN CUSTOMER SERVICE
- \* TRANSITION TO LOCAL AGENCIES AHEAD OF SCHEDULE
- \* RESULTS BASED APPROACH TO PROGRAM IMPROVEMENT
- \* FIRMLY ESTABLISHED STATE LEADERSHIP
- \* USING AUTOMATION EFFECTIVELY
- \* NEW DIRECTIONS

## ENHANCING COLLECTIONS

- ☑ In the first full fiscal year of operation collections increased and reached for the first time ever the \$2 billion mark. This occurred despite the expectation of many that collections likely would stumble given the turmoil leading to reform and the significant program changes undertaken. Collections are projected to increase to over \$2.4 billion in fiscal year 2002-03 reflecting a 50% increase (or more than \$800 million) in the five years since fiscal year 1998-99 when \$1.6 billion was collected.
- ☑ Improved the average amount of collections per case from \$419 in 1996 to \$1,015 during the first two years of operation. Compared to national data, California ranks 25th among other states in the average amount collected per case, with amounts ranging from a high of \$2,087 to a low of \$337.
- ☑ Collected almost \$32 million from Internal Revenue Service (IRS) rebate check intercepts for individuals with an outstanding child support debt during the first six months of the current 2001-02 fiscal year. This is one example of proactive efforts to continually identify potential opportunities to appropriately capture assets of individuals owing child support.
- ☑ Largely completed a major initiative to load California's entire caseload of almost two million cases onto the Federal Case Registry (FCR) providing a link to national databases that are rich in information for purposes of child support enforcement. To date, the DCSS has loaded over 75% of its caseload onto the FCR database giving access to social security information, the National Directory of New Hires, and other income information that can be


used to locate persons owing child support and their assets. Absent a single statewide automation system, DCSS undertook this significant interim measure to enable California's child support program to benefit from these important data sources. The enhanced federal locate and asset information is expected to result in increased collections for California's families.

- ☑ DCSS is assessing the feasibility of adopting additional enhanced child support enforcement tools including the Child Support Lien Network, developed by the State of Rhode Island and a private contractor to intercept insurance settlements. Seven states are currently using this tool, with additional states expected to sign on shortly. DCSS continually strives to adopt best practices in collection and enforcement tools and routinely scans the environment of public and private entities involved in comparable activities.
- ☑ Standardizing policies and practices in use of available enforcement and intercept tools to ensure statewide consistency and optimum collections. DCSS will soon issue emergency regulations that establish policy relative to use of such tools as passport denial and the revocation of various professional and recreational licenses for non-payment of child support debts. In addition, DCSS is working with other entities such as the Departments of Motor Vehicles and Employment Development to improve interfaces necessary to ensure optimal data exchanges and accurate intercepts. Consistent statewide use of available enforcement tools is essential to an effective collection program as well as fairness and equity in how child support customers are treated.
- ☑ Put in place a collections database to enable careful tracking of collections by source to monitor progress as well as contribute to informed business decision-making regarding where

best to allocate resources and the intensity of efforts likely to produce a return on investment. This is a key component of the new direction of California's child support program - to understand the business, the customers served, the nature of the debt, and the cost-benefit ratios of potential revenue sources leading to informed business decisions and approaches.


## EXCELLENCE IN CUSTOMER SERVICE

- ☑ Beginning in the first year, launched a Customer Service initiative to share ideas and promote opportunities for delivery of high-quality customer service. The initiative began with a DCSS sponsored Customer Service Summit in September 2000 bringing together public, private, State, and national leaders in customer service best practices. Since that time, resources have been targeted to customer service activities within local agency budgets, a number of specific customer service actions have been implemented, and many more are planned.
- ☑ Put in place an Ombudsperson Program with over 141 positions in local child support agencies to assist customers with inquiries, concerns, or accessing the complaint resolution or state hearing processes. The Ombudsperson Program is modeled after similar programs that focus on assisting customers in navigating available services and service options.
- ☑ Established a three-day timeframe for resolution of informal inquiries by customers to local child support agencies. Adherence to informal inquiry response times is intended to permit local agencies to appropriately respond to customers without their need to go through the formal complaint resolution process. DCSS anticipates establishment of additional customer service response practices, protocols, and expected timeframes as additional experience and capacity is developed.



☒ Put in place statewide, a formal local complaint resolution process through which custodial parties and non-custodial parents may have their complaints about any action or inaction of a local child support agency or the FTB resolved within 30 days. The local complaint resolution process was developed largely through input from the collaborative Policies, Procedures and Practices (P3 Project) effort and reflected in emergency regulations adopted effective July 1, 2001. Rollout of this process was a major undertaking that included development of forms, customer brochures and posters, a specialized training program for state and local staff, and a statewide automated complaint resolution tracking process. Because the original statute required implementation of this process only upon transition to new local child support agencies, statewide effectiveness would have been limited. Therefore, DCSS encouraged many counties to voluntarily implement the process early, and SB 943 (Chapter 755, Statutes of 2001) required all local child support agencies, regardless of transition status, to implement the local complaint resolution process on October 12, 2001, the effective date of the legislation.

☒ Put in place the accompanying state administrative hearing process that provides an impartial review for customers not satisfied with the outcome of the local complaint resolution process. State hearing requests must be filed within 90 days of receiving the decision of the local complaint resolution process. State hearings are held within 30 days from receipt of a request. Effective April 1, 2001, DCSS entered into an interagency agreement with the California Department of Social Services, State Hearing Office to conduct child support state hearings on its behalf. DCSS closely oversees SHO activities and reviews all proposed decisions. As with the local complaint resolution process, state hearing requirements are captured in emergency regulations adopted effective July 1, 2001.

- 
- ☑ Through the local agency budget allocation process, DCSS has continued to target resources for customer service activities and monitor these activities through agency submission of customer service plans and quarterly reports on progress. Since local implementation of customer service plans, a number of core activities have been adopted by most local agencies including enhanced outreach to communicate effectively with customers through participation in community forums and events, improved call center and telephone response systems, customer service training for staff, and increased support to parents through referral to needed health and human services as well as job skills training and other employment programs. DCSS is drafting customer service emergency regulations that will require all local child support agencies to offer a core set of customer services as well as suggest additional services that may be tailored to meet the needs of particular local communities and populations.
  - ☑ Initiated a study to gather information on best practices in the operation of customer service telephone call centers, a widely used public and private business approach to handling high volume customer service inquiries. Many local child support agencies have call center operations, handling varying types of customer inquiries and with varying success. The DCSS led effort will assist in determining a statewide, orchestrated approach to handling high volume customer inquiries while at the same time providing excellent services in terms of short call wait times, accurate responses, and a high level of one-stop caller response capability. DCSS is looking to best practices nationwide in determining future direction.

- ✓ DCSS, in collaboration with the University of California at Berkeley, conducted a statewide customer satisfaction survey of 10,000 individuals, both custodial parties and non-custodial parents, receiving child support program services. The survey was conducted through telephone interviews intended to establish customer satisfaction baseline information from which to measure progress of the child support program in meeting customer service expectations. A draft report on findings will be available to DCSS in late February 2002. It is anticipated that future customer satisfaction surveys will be conducted periodically to measure progress; this is a critically important part in determining the success of the child support program.
- ✓ Completed a preliminary detailed child support program stakeholder analysis to identify and determine the information and communication needs of each stakeholder group. The stakeholder analysis identified over 20 organizations that are involved in administering the child support program, over 60 entities providing necessary financial and other data interfaces, and many more groups having a direct interest in program operations including the general public. DCSS is using this information to prioritize and identify information needs in an effort to develop and maintain important ongoing, routine communications with those who have an interest in the child support program.
- ✓ Designed a Statewide Child Support Outreach Program to effectively disseminate information about the child support program and how to access services to customers, child support program stakeholders, and the general public. The Outreach Program includes conducting an inventory, evaluating and identifying gaps in current outreach materials and approaches, exploring best practices and innovations in communicating with customers, and developing new,




effective materials and approaches. DCSS is focusing on communicating child support program information using means, methods, and modes preferred by the intended target audiences.

✓ Conducted a special outreach program to increase awareness of child support program services among the Latino population of Los Angeles County, targeting the Bell/Bell Gardens area. Conducted as a pilot program, the Hispanic Outreach Program focused on identifying appropriate cultural and linguistic approaches in effectively communicating with Latino child support services customers, both custodial parties and non-custodial parents. DCSS, in coordination with Los Angeles County Department of Child Support Services, established partnerships with local non-profit, community groups to reach out to the Latino community using specially developed materials and techniques. The pilot project will be evaluated by researchers from the University of California at Los Angeles and will be used in developing future outreach materials and approaches for use, as appropriate, statewide.

✓ DCSS is currently assessing and will soon establish language accessibility requirements and guidance to local agencies specific to the child support program. Based upon an assessment of the population served and eligible for services, guidance will be given relative to each local agency's responsibilities for language access, key public contact positions, means through which to meet language needs, and ongoing language monitoring and assessment of local operations. Requirements will apply to both oral and written communications. Within its organization, DCSS has designated a high level manager responsible for increasing the cultural competency of the child support program statewide; a critically important aspect in improving access to child support services.


## TRANSITION TO LOCAL AGENCIES AHEAD OF SCHEDULE

- ☑ Conducted a pre-transition readiness assessment of all counties to determine the schedule and process for transitioning from the offices of district attorneys to new local child support agencies. The assessment resulted in a three-phased approach in which 11 counties transitioned in 2000, 16 transitioned in 2001, and 31 are scheduled to transition by mid-2002. DCSS took advantage of statutory authority for early transition prior to December 31, 2000, by transitioning 11 “pioneer counties” (comprising almost 14% of the caseload) thereby gaining experience, developing standard protocols and templates, and ensuring an efficient and effective review and approval process. These actions and tools, special training to transitioning counties, and local diligence has made the transition process a success to date.
- ☑ During the first two years, 27 counties have transitioned from the offices of district attorneys to new local child support agencies including those with the largest caseloads (Los Angeles, Riverside, San Bernardino and San Diego), representing almost two-thirds of the statewide caseload and resulting in \$4 million in ongoing administrative savings.
- ☑ Planned transition of the remaining 31 counties by July 2002 is underway with local agency submission of transition plans due at staggered times between November 1, 2001 and February 28, 2002. Some Phase 3 local transition plans have already been submitted and under review by DCSS.

- 
- ☑ Transitions to date have occurred without disruption to program services as monitored by key performance indicators including, but not limited to, customer complaints, case processing response times, and collections trends. The 11 “pioneer” counties not only transitioned without a disruption in service level but also achieved an average 10 percent increase in collections in the 2000-01 fiscal year during which transition occurred.
  - ☑ The transition process revealed potential opportunities for regionalization of child support program operations to achieve additional economies and efficiencies. DCSS initially identified counties with small child support caseloads that might benefit from such partnering. To date, Amador and Alpine counties, and Sierra and Nevada counties have moved forward to form regional child support programs, providing greater staff access to resources that would not have been otherwise available and providing opportunities for improved service to customers. In addition, five more counties are actively moving towards regionalization.

## RESULTS BASED APPROACH TO PROGRAM IMPROVEMENT


- ☑ Implemented new federal performance measures used to determine the distribution of federal incentive funding among states, while at the same time beginning to improve overall performance during a time of significant program reform. Federal directives governing the new performance based incentive system, performance penalties, and standards for data reliability audits were issued in early 2001 reflecting federal statute enacted in 1998. States must meet minimum standards on each of five performance measures as well as a 95% data reliability threshold beginning October 1, 2001. The five measures reflect rates for paternity establishment, support order establishment, collections on current support, collections on arrears, and cost-effectiveness. The new federal system is being phased in over three federal fiscal years from October 1999 through September 2002. California's overall performance during transition to the new federal measures has begun to improve, exceeding the average performance of the next largest eight states on rates of paternity establishment, support orders established, and collections on arrears.
- ☑ Established child support program performance standards, effective January 1, 2001, consisting of the five federal and nine State measures to enable uniform assessment of performance locally and statewide. The performance measures were established after considerable consultation with local child support agencies and advocates through the P3 Project process. The measures provide, for the first time, a central and uniform focus on shared performance goals.

- 
- ☑ DCSS is preparing and will release early in 2002 the first comprehensive annual child support program performance report based on the newly adopted federal and State performance measures.
  - ☑ Continued to receive high marks for operation of the California Paternity Opportunity Program, California's hospital-based voluntary paternity program that provides unmarried parents the opportunity to sign a declaration of paternity for their child at the hospital or later at designated agencies. DCSS oversees more than 700 mandatory agencies providing the voluntary paternity process including birthing hospitals, local child support agencies, local vital statistics agencies, public assistance agencies, and courts. Paternity establishment is a vital first step in the collection of child support, greatly contributing to California's high performance on the federal paternity establishment measure.
  - ☑ Made significant progress in developing and adopting case management policies and practices that will impact performance while at the same achieving greater statewide uniformity. Some of these case management related changes are reflected in emergency regulations adopted to date; others have been issued as policy directive or are the focus of special workgroup efforts. For example, the P3 Project resulted in DCSS' development of statewide case closure policy issued in June 2001, brining uniformity of practice to local agency operations. In addition, a Case Transfer Policy workgroup has been established to develop and issue (within the next few months) an effective case transfer process, leading to further elimination of duplicate cases. Not only do these case management practices lead to consistency and equitable customer services within the program but they also reflect

important case count information – an important variable used within the federal performance measurement system.

✓ Conducted “Best Practices” county reviews to identify practices contributing to high levels of performance as measured by child support program performance measures. Reviews focused on a number of factors including performance management, staff training and development, communication, customer service and case management functions such as intake, paternity and orders establishment, locate, enforcement, and case closure. Findings are analyzed to determine the need for DCSS initiated changes to policies, procedures or practices, as well as shared with all local child support agencies for adoption as deemed appropriate.

✓ Created the Quality Assurance and Program Improvement (QAPI) Initiative to re-look at the approach to ensuring the delivery of high quality services statewide. The purpose of this effort is to provide an overall framework for routine focused and coordinated attention on tasks and activities that will result in desired program outcomes/results. It will provide a means to integrate the 14 mandated performance measures with other program performance expectations, identify tasks and activities that lead to achievement of the performance measures, and enable informed corrective actions and program improvements locally and statewide. Resources have been targeted through the annual budget allocation process to permit local child support agencies to enhance or build capacity in this area. DCSS is using a collaborative workgroup and technical consultants to ensure that the broadest and best thinking is used in establishing this new approach to performance improvement, with expected implementation beginning by July 1, 2002.

- 
- ☑ Pending implementation of the new QAPI approach, continued and completed annual reviews of each local child support agency's compliance with federal and State child support laws and regulations, using a statistically valid sample of cases. For compliance reviews conducted in early 2002, DCSS will include special reviews in areas in which important policy changes have been made during calendar year 2001. For example, DCSS will complete additional sample reviews of case closure policy implementation. In addition, DCSS started up and completed new annual management reviews of local agencies found to have poor performance scores as required by SB 1410 (Chapter 404, Statutes of 1998) effective in 1999.
  - ☑ Initiated special reviews of five counties, including those with the three largest caseloads, to assess performance and identify ways in which to improve program outcomes relative to federal and State performance measures, collections, medical support, and effective customer service. DCSS hired Policy Studies, Inc., a nationally respected firm with extensive child support program experience, to conduct the reviews as part of a focused effort to assist counties that have experienced long-standing performance difficulties. The counties included in the review are Los Angeles, San Bernardino, San Diego, Butte, and Yuba. To date, field reviews have been completed in Los Angeles and Butte, are underway in San Diego, and will commence in Yuba in late January 2002. It is expected that reports on all efforts will be available to DCSS in May 2002. Findings to date provide fertile ground for specific actions to improve performance.

## FIRMLY ESTABLISHED STATE LEADERSHIP

- ☑ Put in place the new State Department of Child Support Services (DCSS) including appointing a State Director, establishing an organizational design and position structure, administering civil service tests, recruiting and hiring a full complement of approximately 200 staff, and establishing internal policies, procedures and practices necessary to effectively operate an entirely new organization.
- ☑ Acquired, equipped and moved into new DCSS office space during the first year, bringing together child support program staff previously dispersed throughout Sacramento and co-locating with the Franchise Tax Board (FTB) - the Project Agent responsible for planning, developing and implementing California's Child Support Automation System (CCSAS).
- ☑ Designated six geographic regions and appointed a DCSS Regional Administrator for each to provide the direct oversight and facilitation of communication between DCSS and local child support agencies. The regional administrator concept was envisioned in the reform statute, and to date has proven effective in enhancing communications and ensuring necessary actions at the State and local levels.
- ☑ During the first year, successfully conducted a major collaborative effort involving over 130 diverse stakeholders in formulating and advising the new DCSS on major child support program directions necessary to achieve uniformity, consistency, and best practices statewide. The Policies, Procedures and Practices (P3) Project resulted in over 300



recommendations, forming the foundation for DCSS policy and emergency regulation development in areas such as local complaint resolution, state hearings, case management practices, caseworker and attorney staffing, training, best management practices, and program performance measures. Over two-thirds of the recommendations were adopted in full or in part; of those remaining, most required and are receiving additional review. Less than six percent of the recommendations were deemed non-actionable or were not adopted.

☑ Made significant progress in developing and adopting emergency regulations necessary in achieving statewide uniformity as envisioned in reform legislation. A total of 17 regulatory packages were identified as needed. Of these, five have been adopted and are in effect governing the ombudsperson program, local complaint and state hearing processes, various case management (locate, case intake, interstate) areas, administrative reporting requirements, and performance standards. An additional five regulatory packages are undergoing final revisions with adoption scheduled by the end of February 2002. The remaining packages are in various stages of completion with adoption anticipated by June 2002.

☑ Put in place a budget planning, allocation, and monitoring methodology for local child support agencies that results in the allocation of resources based on statewide program priorities, standardized and predictable budgeting processes, fairness and equity among local agencies, and optimum use of available resources. The budgeting methodology uses uniform definitions and budget categories to capture expenses including core staffing, administrative support, targeted programs, operating expenses, and other details. As envisioned in statute, after ensuring consistency of policy and practice relative to case closure and transfer, DCSS will

move toward allocation of resources based on appropriate staff to caseload ratios. A sound budgeting process is foundational to ensuring an effective and uniform statewide program.

- ☑ Began an effort to identify opportunities for statewide contracting that will lead to improved service delivery and enhance cost effectiveness. To date, DCSS is conducting studies of the feasibility of statewide contracting for laboratory services, service of process, and non-English language accessibility via telecommunications.
- ☑ Began implementation of a Statewide Child Support Training Program to provide high quality, uniform, and consistent training of all State and local child support staff. Based on recommendations of the P3 Project Training Workgroup, DCSS established the governance and organizational structure including a public-private Training Program Advisory Group and began a training needs assessment, inventory of training resources, selection of quality training curricula, trainer certification process, and development of a variety of training delivery methods such as web-based, distance learning, and classroom settings. DCSS also targeted resources within local agency budget allocations to enhance and/or begin to build additional staff training capacity. While full implementation of the Training Program will take two to three years, significant progress has been made to ensure that child support staff have the critical knowledge, skills, and abilities to provide high quality services to child support program customers.
- ☑ Focused on data reliability and analysis to achieve statewide consistency in measurement and reporting of program performance information, a key step necessary to enable development of effective corrective and performance improvement actions. Extensive work in this area has been completed with regard to policy clarification, data definitions, data mapping, and

automated systems modifications to ensure accurate federal data reporting on performance measures, collections and distributions, and administrative claiming. Further work will continue in this area – an area extensively noted at the time of the reform legislation for its significant shortcomings.

## USING AUTOMATION EFFECTIVELY

- ☑ Continued conversion of local child support agencies to one of six federally approved interim automation systems following collapse of the previous single statewide system effort (the Statewide Automated Child Support System) in November 1997. To date, DCSS has converted 17 local child support agencies to an approved system, with the additional final two conversions to take place in February and April 2002. The conversions have required intensive efforts by State, local and contract staff and all have been accomplished with minimal disruption. Completion of these system conversions significantly reduces risk in movement to the single statewide system - enhanced opportunities for near term program improvements also are evident.
- ☑ Initiated significant data cleansing activities, especially focusing on elimination of duplicate cases, as part of the effort to move California's caseload to the Federal Case Registry. DCSS identified data discrepancies, duplicate cases between counties, and intra-county case duplicates as part of the effort to ensure data reliability. Efforts focused on data cleansing will continue until statewide system implementation.
- ☑ Initiated significant automation related data reliability activities using consortia system technical leads to assist in developing standard data definitions and processing rules for program reporting - the first time any such effort has been undertaken. Further, DCSS has engaged a contractor to do an assessment of existing data definitions across all six consortia systems to identify areas of inconsistency in key program policies, procedures and practices.

Future consortia system enhancements will be focused on uniformity of data and processing rules, to the extent this can be done cost effectively prior to the single statewide system.

- ☑ Initiated steps to ensure DCSS ownership and control of consortia system operations in the period leading to implementation of the single statewide automation system. DCSS recently completed on-site management and operational assessments of each of the consortia systems and soon will put in place a structure providing day-to-day local level participation in the operation of consortia systems. Project Leaders will be responsible for providing day-to-day direction to consortia technical managers based on DCSS directives, policies, and procedures. DCSS will gain better oversight into consortia operations and ensure that resources are made available to support the development of and conversion to the single statewide system.
- ☑ Initiating a thorough review of the Los Angeles County (LA) child support program data collection and reporting programs to ensure that program data is being defined, captured, and reported accurately and in accordance with DCSS directives. DCSS has initiated several assessments of LA's data and systems functionality and is currently performing a complete audit of LA's federal performance report data and processing logic. Accuracy of data is critically important, particularly given LA's large child support caseload and possible impacts on customers and statewide performance.
- ☑ Made significant progress in securing a single statewide automation system for California's child support program. FTB, as the agent responsible for planning, procuring, developing, implementing and operating the California Child Support Automation System (CCSAS), has brought considerable large system expertise to this project. After considerable work to define child support business requirements and release of a well-crafted vendor solicitation

document, FTB is in the midst of the vendor procurement process. Final proposals are due by the end of February 2002, with proposal evaluation, selection, and contract negotiation to occur during 2002.

## NEW DIRECTIONS



Initiating for the first time in the history of California's child support program, the use of key research and data to make informed business decisions regarding where and how best to allocate resources to ensure that child support services achieve desired outcomes. The information necessary to make informed business decisions includes data about characteristics of the child support caseload, characteristics of those with a child support debt as well as the debt itself, potential revenue or collections sources, and overall cost effectiveness or return on investment. DCSS has initiated a number of activities that will lead to an informed business approach to effective child support collection and enforcement.



Contracted with The Urban Institute to conduct a study of the total amount of uncollected child support arrearages that are realistically collectible, considering factors that may influence collections such as welfare caseload, levels of poverty and unemployment, rates of incarceration of obligors, and age of the delinquent debt. To date, the study has produced information that is invaluable to child support program policy decision-making and has generated nationwide interest within the child support field. It is clear that continuation of current practices will make it exceedingly difficult, if not impossible, to collect California's child support debt given the nature of the outstanding debt and the characteristic of those who hold the debt. Based on these findings, DCSS is considering new strategies and approaches to arrears management.

- ☑ In early 2001, established a Default Workgroup to examine current practices and reasons for California's high rate of order establishment through default, judgments presuming or imputing an income level to the obligor, and the impact of this practice on the ability to collect child support. DCSS is considering this work in preparing new strategies and procedures that are used uniformly statewide and will result in more accurate orders being established and enforced.
- ☑ Initiated efforts to coordinate and thoughtfully approach the use of enforcement mechanisms based on structured business decision-making to establish clear relationships between case characteristics and the ordered use of selected enforcement mechanisms. Child support reform legislation requires DCSS to evaluate and create priorities for the use of the wide array of enforcement tools. DCSS is engaging in a thorough review of enforcement mechanisms to bring a structured approach to enforcement that will ensure statewide uniformity on how and when enforcement mechanisms are employed, will be more clearly focused on how best to collect support depending on the circumstances of the support obligor, and will likely result in the greatest return on investment. Enforcement regulations will be adopted shortly that will reflect initial efforts in this area. It is expected that implementation of the single statewide automated system will further enhance this capability.

It should also be noted that all of these new directions play a significant part in greatly improving customer services and satisfaction with the child support program.